

Remarks

As stated above, the applicants appreciate the Examiner's thorough examination of the subject application and request reexamination and reconsideration of the subject application in view of the preceding amendments and following remarks.

Concerning Items 1-2 listed under the heading "Claim rejections - 35 USC §112" of the subject action, the Examiner rejects claims 28 and 29 under 35 USC §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the applicant's invention. In particular, the Examiner states that the terms "if only one coincidence occurs, and if more than one coincidence occurs" are relative terms which render the claims indefinite.

The applicants have amended claims 28 and 29 to clarify the applicant's invention.

Concerning Items 1-2 listed under the heading "Claim Rejections - 35 USC §103" of the subject action, the Examiner rejects claims 1-5, 12-13, 15-19, and 26-27 under 35 USC §103(a), as being unpatentable over the combination of Mital (U.S. Patent 6,297,511; hereinafter Mital) and ordinary skill in the art.

Applicants claim (in independent claim 1):

A transaction system for performing secure transactions over a communication network comprising: (A) a merchant server system including a computer processor and associated memory, said merchant server system offering items for sale; (B) a buyer system including a computer processor and associated memory, said buyer system being selectively couplable to said merchant server system over said communication network to initiate a transaction, wherein, during said transaction, said buyer system selects one or more of said items for purchase; (C) a security server system including a computer processor and associated memory and an encryption device, said security server system receiving buyer information from said buyer system, encrypting said buyer information in an encryption key that prevents said

merchant server system from decrypting said buyer information, and transferring said encrypted buyer information to said merchant server system; and (D) a third server system including a computer processor and associated memory, said third server system being selectively couplable to said merchant server system, wherein said merchant server system transmits at least a portion of said encrypted buyer information to said third server system for processing during said transaction.

Applicants respectfully assert that the combination of Mital and ordinary skill in the art fails at least to disclose element (C) of applicant's independent claim 1, namely "a security server system including a computer processor and associated memory and an encryption device, *said security server system receiving buyer information from said buyer system, encrypting said buyer information in an encryption key that prevents said merchant server system from decrypting said buyer information*, and transferring said encrypted buyer information to said merchant server system." (emphasis added)

Accordingly, applicants respectfully assert that the combination of Mital and ordinary skill in that art is not a proper basis for a 35 USC §103(a) rejection, as the combination fails to disclose each and every element of the applicants' claimed invention.

In Mital, encryption of buyer information occurs on the buyer's computer, referred to in the reference as a "consumer computer 100". In particular, the consumer computer is used to generate a secure purchase order message 102, which includes the encrypted buyer information, and pass the message to an electronic commerce service 104 (col. 3, lines 41-53; col. 7, lines 46-54; etc.). In order to encrypt the buyer information, a variety of software modules are downloaded to the consumer computer by an end user. Such software modules include a

consumer application module, an order manager module, a secure technology module, and an electronic mail module (col. 3, lines 55-58). By downloading these software modules and executing them on the consumer computer, purchase and payment information is encrypted along with order information prior to transmission from the consumer computer to the electronic commerce service.

In contrast, Mital does not disclose or suggest a security server system receiving buyer information from a buyer system, encrypting the buyer information in an encryption key that prevents a merchant server system from decrypting said buyer information. Rather, Mital performs data encryption at a consumer computer being used by the buyer and not at a security server system.

Thus, while Mital discloses a system that encrypts buyer information at a consumer computer that is used by an end user (i.e. consumer computer 100), the reference does not describe or suggest encrypting buyer information at a security server system such that a merchant server system is prevented from decrypting the buyer information.

Accordingly, applicants respectfully assert that the combination of Mital and ordinary skill in the art is not a proper basis for a 35 §USC 103(a) rejection, as the combination fails to disclose each and every element of the applicants' claim 1. Therefore the applicants respectfully assert that independent claim 1 is patentable over the combination of the cited reference and ordinary skill in the art. Further, as dependent claims 2-11 depend (either directly or indirectly) upon independent claim 1, applicants respectfully assert that claims 2-11 are also patentable

over the combination. For the reasons discussed above, the applicants respectfully assert that amended independent claim 12 is patentable. As dependent claims 13-14 depend upon amended independent claim 12, applicants respectfully assert that claims 13-14 are also patentable. Still further, the applicants also respectfully assert, for the reasons above, that independent claims 15, 26, and 27 are patentable. As dependent claims 16-25 depend (either directly or indirectly) upon independent claim 15, applicants respectfully assert that claims 16-25 are also patentable.

Concerning Item 3 listed under the heading "Claim Rejections - 35 USC §103" of the subject action, the Examiner rejects claims 6-11, 14, and 20-25 under 35 USC §103(a), as being unpatentable over Mital in view of Ohta et al. (U.S. Patent 4,977,595; hereinafter Ohta).

Ohta describes an electronic cash method and system in which a users makes a bank apply a blind signature to user information. Shops from which the user can purchase goods and services can verify the validity of the signed user information to as part of the transaction process. However, similar to Mital, Ohta does not disclose or suggest encrypting buyer information at a security server system such that a merchant server system is prevented from decrypting the buyer information.

Accordingly, applicants respectfully assert that the combination of Mital and Ohta is not a proper basis for a 35 §USC 103(a) rejection, as the combination of the references fail to disclose each and every element of the applicants' invention as claimed in independent claim 1, amended independent claims 12, and independent claim 15 from which claims 6-11, 14, and 20-

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25 respectively depend. Therefore the applicants respectfully assert that dependent claims 6-11, 14, and 20-25 are patentable over the combination of the cited references.

No new matter has been added by these amendments. The applicants respectfully assert that the subject application is now in condition for allowance. Please apply any charges or credits to deposit account 50-1133.

If the Examiner believes there are any outstanding issues to be resolved with respect to the above-identified application, the Examiner is invited to telephone the undersigned at their earliest convenience so that such issues may be resolved telephonically.

Respectfully submitted,

Date: _____

7/6/04



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